

**Citgo Petroleum Corporation
Lake Charles Truck Loading Terminal
Sulphur, Calcasieu Parish, Louisiana
Agency Interest Number: 3766**

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Citgo Petroleum Corporation
Lake Charles Truck Loading Terminal
Sulphur, Calcasieu Parish, Louisiana
Agency Interest Number: 3766
Activity Number: PER20060001
Proposed Permit Number: 0520-00057-V1**

I. APPLICANT

Company:

Citgo Petroleum Corporation - Lake Charles Truck Loading Terminal
PO Box 1562
Lake Charles, Louisiana 70602-1562

Facility:

Citgo Petroleum Corporation
4401 Hwy 108 S
Sulphur, Calcasieu Parish, Louisiana
Approximate UTM coordinates are 468.5 kilometers East and 3338.8 kilometers North, Zone 15

II. FACILITY AND CURRENT PERMIT STATUS

CITGO - Lake Charles Truck Loading Terminal is contiguous with the Lake Charles Manufacturing Complex (Refinery). Previous to the Title V initial permit for the Bulk Terminal the permits were issued under AI 3766. Then the initial Title V permit for the Bulk Terminal was issued under AI 1250. However, due to Citgo ownership and operations issues particularly with billing and reporting, the Title V Renewal Permit is being issued under AI 3766

Citgo Petroleum Corporation - Lake Charles Truck Loading Terminal is a designated Part 70 source. The previous Title V permit was issued as follows:

Permit No.	Unit or Source	Date Issued	AI Number
1962-V0	Truck Loading Terminal	10-13-2001	1250

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III. PROPOSED PROJECT/PERMIT INFORMATION

Application

A permit application was submitted on April 13, 2006 requesting a Part 70 operating permit renewal for the CITGO – Lake Charles Truck Loading Terminal. The application was subsequently revised on July 26, 2006. Additional information dated July 5, 2006, September 7, 2006, and February 16, 2007 were also submitted.

Project

CITGO Petroleum Corporation is the parent company which owns both the CITGO – Lake Charles Truck Loading Terminal and the Lake Charles Manufacturing Complex (a contiguous refinery). The Lake Charles Truck Loading Terminal is operated for the distribution of gasoline and distillate fuel manufactured from the CITGO Refinery. Products are supplied to the terminal via pipeline and pumped through the loading rack into third party cargo trailers. No refined petroleum products are stored at the terminal other than motor fuel additives, which are added to fuels during loading. The loading terminal is equipped with a vapor combustion system.

Proposed Permit

Permit 0520-00057-V1 under AI 3766 will be the permit renewal/modification of Part 70 operating permit 1962-V0 under AI 1250 for the CITGO – Lake Charles Truck Loading Terminal.

In this permit renewal CITGO requested to include the following changes:

- Incorporate a Case-by-Case Insignificant Activity dated January 18, 2007 to switch the product in Tank 14 from ULSD Lubricant Additive to Texas Low Emission Diesel Additive and increase throughput from 22,000 gal/yr to 80,000 gal/yr.
- Incorporate an insignificant tank (Tank 13) 2000 gal Red Dye Diesel Additive Tank.
- Incorporate the LDEQ variance dated September 15, 2005 which allowed to change the service of the Mobil Additive Tank (to be redesignated as Tank 10) from Texas Low Emission Diesel Additive to store Ultra Low Sulfur Diesel (ULSD) Additive.
- Correct the volume of insignificant CITGO “Shell” Additive Tank from 5,000 gal to 8,000 gal. Also increase throughput of this tank from 7,000 gal/yr to 12,000 gal/yr.
- Redesignate source ID for following (insignificant) tanks:
 - CITGO “Shell” Additive Tank to Tank 8
 - CITGO “Exxon” Additive Tank to Tank 9
 - CITGO “Mobil” Additive Tank (DSL-ADD2) to Tank 10
 - CITGO “Diamond Shamrock” Additive Tank to Tank 11
 - CITGO “Chevron” Additive Tank to Tank 12
 - CITGO “Phillips” Additive Tank to Tank 15
 - CITGO “Texaco” Additive Tank to Tank 16
- Update emissions, speciation data and fugitive component counts.

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Emissions from the terminal are recalculated based on these new factors.

Permitted Air Emissions

Estimated emissions in tons per year are as follows:

Pollutant	Before	After	Change
PM ₁₀	Neg.	Neg.	-
SO ₂	Neg.	Neg.	-
NO _x	5.57	5.57	-
CO	13.91	13.91	-
VOC	27.79	27.84	+0.05
Benzene*	0.94	0.94	-
Ethylbenzene*	0.10	0.09	-0.01
Isooctane*	0.47	0.47	-
Methyl Tert Butyl Ether*	2.44	Neg.	-2.44
n-Hexane*	0.92	0.92	-
Toluene*	1.54	1.55	+0.01
Xylene*	1.40	1.35	-0.05
Cumene*	0.04	0.04	-

* Chapter 51 regulated TAPs.

IV REGULATORY ANALYSIS

The applicability of the appropriate regulations is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

Applicability and Exemptions of Selected Subject Items

See permit.

Prevention of Significant Deterioration/Nonattainment Review

This application was reviewed for compliance with 40 CFR 70, the Louisiana Air Quality Regulations, National Emission Standards for Hazardous Air Pollutants (NESHAP), and New Source Performance Standards (NSPS). Non-attainment New Source Review (NNSR) and Prevention of Significant Deterioration (PSD) do not apply.

Streamlined Equipment Leak Monitoring Program

None

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MACT Requirements

The facility fugitives (FUG-01) are subject to the Maximum Achievable Control Technology (MACT) standards of 40 CFR 63 Subpart R. The requirements that are applicable to each source in the application are detailed in the regulatory applicability tables.

Air Quality Analysis

Louisiana Toxic Air Pollutant (LTAP) dispersion modeling is performed for the applicable LTAP compounds with emissions above the Minimum Emission Rate. The screening modeling results predict the maximum ground level concentrations of toxic air pollutants are below the Ambient Air Standards (AAS).

Impact on air quality from the emissions of the proposed units will be below the National Ambient Air Quality Standards (NAAQS) and the Louisiana Ambient Air Standards (AAS) beyond industrial property.

General Condition XVII Activities

None

Insignificant Activities

All Insignificant Activities are authorized under LAC 33:III.501.B.5. For a list of approved Insignificant Activities, refer to the Section IX – Insignificant Activities of the proposed permit.

V. PERMIT SHIELD

Not Applicable.

VI. PERIODIC MONITORING

All periodic monitoring is conducted in accordance with state and federal regulations. See the Specific Requirements Section of the proposed permit renewal / modification for monitoring requirements.

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VII. GLOSSARY

Carbon Monoxide (CO) – A colorless, odorless gas, which is an oxide of carbon.

Maximum Achievable Control Technology (MACT) – The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

Hydrogen Sulfide (H₂S) – A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the reaction of acids on metallic sulfides, and is an important chemical reagent.

New Source Review (NSR) – A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C (“Prevention of Significant Deterioration of Air Quality”) and D (“Nonattainment New Source Review”).

Nitrogen Oxides (NO_x) – Compounds whose molecules consist of nitrogen and oxygen.

Organic Compound – Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂)

Part 70 Operating Permit – Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but are not limited to, sources which have the potential to emit: ≥10 tons per year of any toxic air pollutant; ≥25 tons of total toxic air pollutants; and ≥100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀ – Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) – The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) – A New Source Review permitting program for major sources in geographic areas that meet the National Ambient

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Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO₂) – An oxide of sulfur.

Sulfuric Acid (H₂SO₄) – A highly corrosive, dense oily liquid. It is a regulated toxic air pollutant under LAC 33:III.Chapter 51.

Title V Permit – See Part 70 Operating Permit.

Volatile Organic Compound (VOC) – Any organic compound, which participates in atmospheric photochemical reactions; that is, any organic compound other than those, which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.